File ACT/049/009

MR FORM 5

(January 1985) (Noncoal)

Bond Number ACT/049/009

RECEIVED

APR 2 3 1985

DIVISION OF OIL GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned	Sunshine Mining Company		
as principal, and	The Ætna Casualty and S	urety Company	as
surety, hereby joint.	ly and severally bind ours	elves, our heirs, admi	nistrators,
executors, successors	s and assigns unto the Sta	te of Utah, Division o	f Oil, Gas
and Mining in the per	nal sum of <u>Seven Hundred T</u>	hirty Seven Thousand a	nd no/100
	dollars (\$ 737,000.00) .	
The principal es	timated in the Mining and and and and and and and aning on the 4th		
	, that96	acres of land will be	disturbed
by this mining opera- land is attached here	tion in the State of Utah.	A description of the	disturbed

When the Division has determined that the principal has satisfactorily reclaimed the above-mentioned lands affected by mining in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect until the reclamation is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a piecemeal or cyclic basis, and the land is reclaimed in accordance with such plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area of the land affected or increased reclamation work, then this bond may accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is noncancellable by the surety at any time for any reason including, but not limited to nonpayment of premium or bankruptcy of the permittee during the period of liability.

Page 2 NONCOAL MR-5

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.

Ву

Dated this <u>18thday of April</u>, 19 85.

State of Utah Board of Oil, Gas and Mining

Sunshine Mining Company
Principal (Company)

By Vice President and Controller
Company Official - Position

Date: April 18, 1985

The Etna Casualty and Surety Company

Surety (Company)

Official of Surety - Position
John R. Stockton, Attorney-in-Fact

DATE: April 18, 1985

APPROVED AS TO FORM:

Assistant Attorney General





POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE ÆTNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint Sammy J. Shelton, John R. Stockton, R. E.

Burt, John M. Rhodes or John R. McCullough - -Dallas Texas , its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there design nated , the following instrument(s): by his/her sole signature and act, any and all bonds, recognizences, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all consents incidents thereto and to bind THE ÆTNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE ÆTNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed. This appointment is made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect: VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents. Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him. VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE ÆTNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect: VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached. IN WITNESS WHEREOF, THE ÆTNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its. Assistant , and its corporate seal to be hereto affixed this 28th Vice President day of , 19 84 June AND) COMPANY SURETY P. Kiernan State of Connecticut eph ss. Hartford sistant Vice President County of Hartford , 19 84 , before me personally came JOSEPH P. KIERNAN On this 28th day of June to me known, who, being by me duty sworn, did depose and say: that he/she is

Assistant Vice President

THE ÆTNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof. CERTIFICATE I. the undersigned, Secretary of THE ÆTNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now

(S-1922-E) (M) 3-79

April

فيعوك أسويعة وللمكاروب والرامية

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State

^{, 19} 85

Vincent A. Walsh, Secretary

Connecticut, Dated this

Вч

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day of

The said of the

AFFIDAVIT OF QUALIFICATION

John R. Stockton , being first duly sworn, on oath deposes and					
says that she is the (officer or agency)Attorney-in-Fact					
of said Company, and that she is duly authorized to execute and deliver the					
foregoing obligations; that said Company is authorized to execute the same and					
has complied in all respects with the laws of Utah in reference to becoming					
sole surety upon bonds, undertakings and obligations.					
(Signed) (Si					
Notary Public					
My Commission Expires:					
June 30 , 19 88 .					

1282R

Description of Propriet and ACT/049/009

The permit areas are accessible by use of Silver Pass Road, a county road, off of U.S. Highway 6 to a controlled private service road. Access to settling ponds is by a private road off of U.S. Highway 6.

1.2 Permit Area Description

The general permit area is located on the east flanks of the East Tintic Mountains of the upper Jordan River drainage. An intermittent drainage system that extends from Silver Pass down through the permit area emptying into the alluvial fill in Goshen Valley. Numerous springs attest to the permeability volcanic cap that overlies most of the area. Apparently at least two seperate aquifers occur in Goshen valley. One has warm salty water and the second cool fresh water, both commonly have adjacent surface expressions.

At Elberta the average annual precipitation is 10.50 inches and average pan evaporation rate is 37.30 inches. Temperatures range from -17F to +104F with approximately 127 frost-free days. Winds are predominately from the southwest averaging 5-10 MPH with peaks to 60 MPH when storm fronts

pass through the area.

Pinyon-juniper woodlands with an interspersion of sagebrush clearings covers the slopes of the mountains. The woodland gives way to am open sagebrush-grass vegetation pattern on the lower slopes and alluvial fans. The sandy gravelly loam soils are derived from a volcanic parent material or a mixture of sedimentary rocks. Wildlife populations are those common to the Basin and Range Province.

The Burgin mill permit area consists of Burgin #1 and 2 shafts, mill, adminstrative facilities, storage yard and utility services situated on the tops of several waste rock dumps in the pinyon-juniper zone. The D&RG railroad and a county road also cross this permit area. The adjacent Hunter shaft is located on a small pinyon-juniper ridge. The tailings pond will be located on the low bench adjacent to the main drainage and also adjacent to existing tailings ponds. The six settling ponds are located on the alluvial fan just above Goshen Valley bottom. The sandy gravelly soils at this site support a sagebrush-grass plant community.

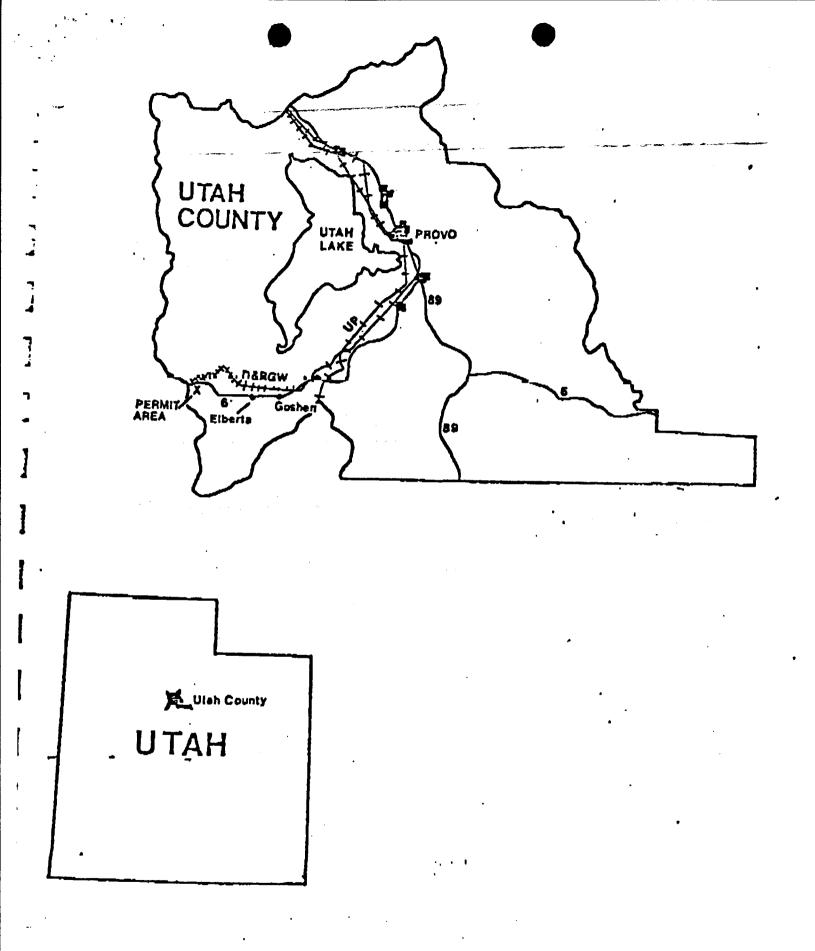


FIGURE 1. LOCATION of BURGIN PROJECT

Acreage Summary (see Exhibit 1)

Permit Area	Acreage	Disturbed Acres	Reclaimed Acres	Costs
Trixie	11.4	8.55	4./5 1.	\$ 37,320
Hunter Shaft	10.0	7.17	7.17	\$ 48,100
Burgin Mill	57.9	29.40	29.40	\$129,600
Tailings Pond	41.37	28.67	28.67	\$ 39,310
Settling Ponds	180.00	36.10	26.00 2.	\$ 30,750
Totals	300.67	109.89	95.99	\$285,080

^{1.} Access and Shaft left intact per Chief Consolidated's request.

2. Conduit ROW not reseeded.

LEGAL Description

All Jesesption in located in the Einka Guadrangh WIAH, N3952.5-WIIZOU/71:

TRIXIE - approx 6400' wish of the N.E. corner of section 27 and (Exhibit I) 750' south of this point

Hunter Shaft - approx. 2500' west of the S.E. corner of Section 15 (Exhibit III) and 1500' North of this point

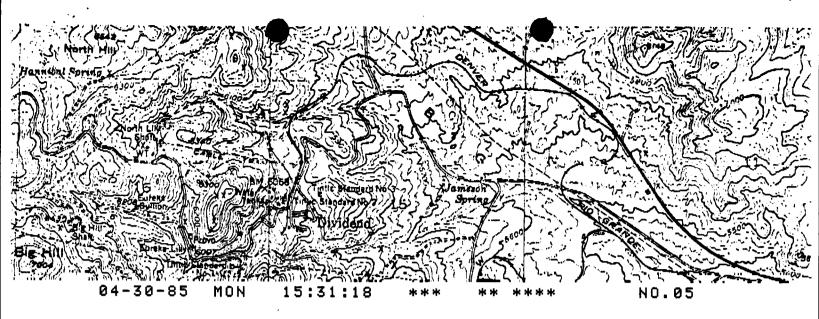
Burgin Mil - approx. 1/20' west of the S.E. Corner of Section 15 (Exhibit II) and 400' North of this point

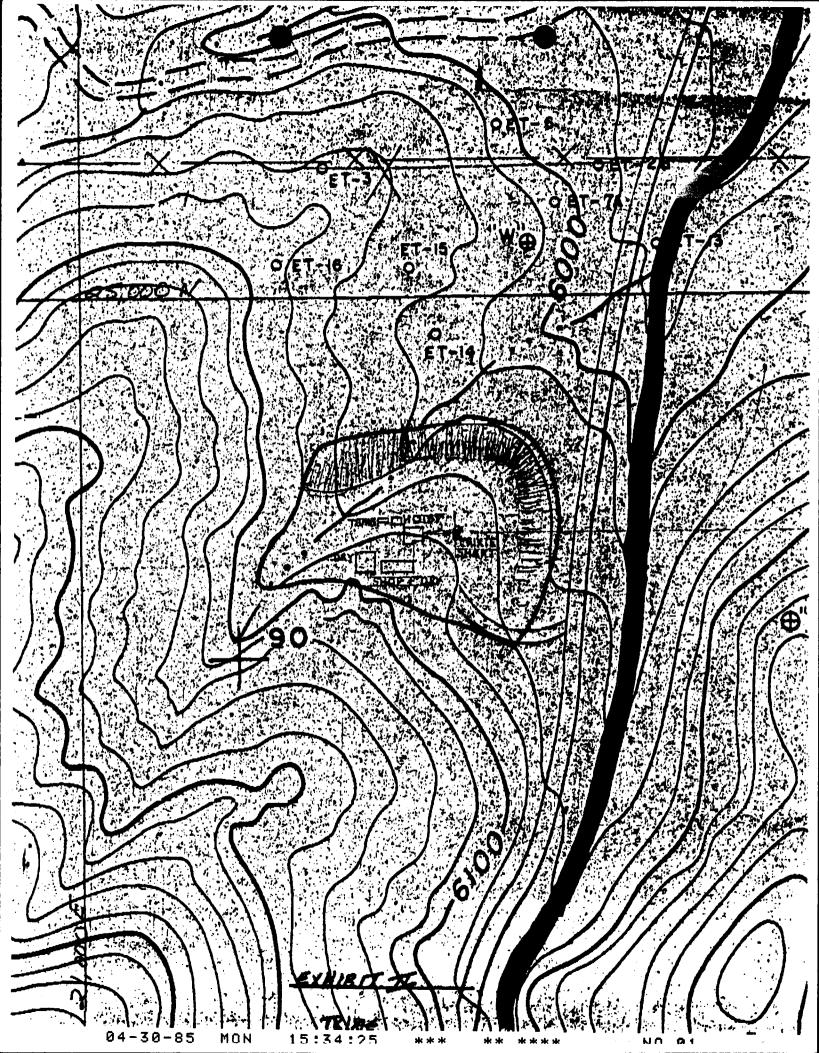
(Exhibit I) and 1,200' South of this point

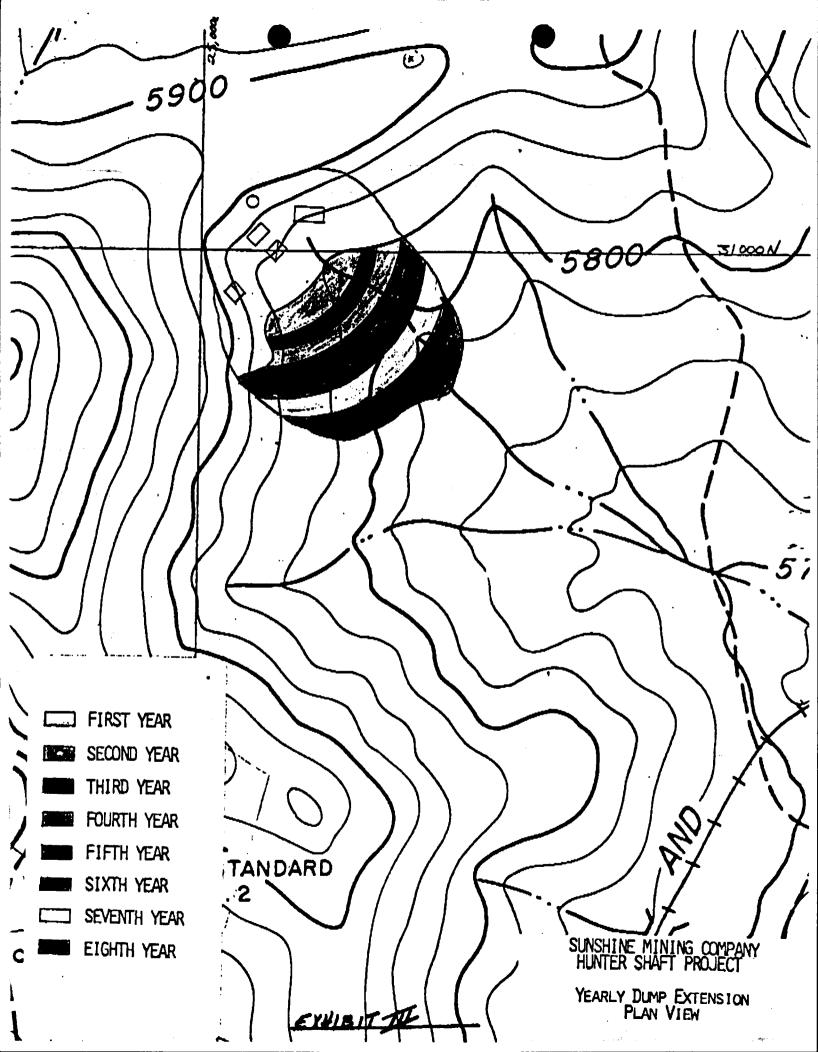
SETTLING PONDS - 10 10 Gesar 2 1 / located in TIOS-RIW.

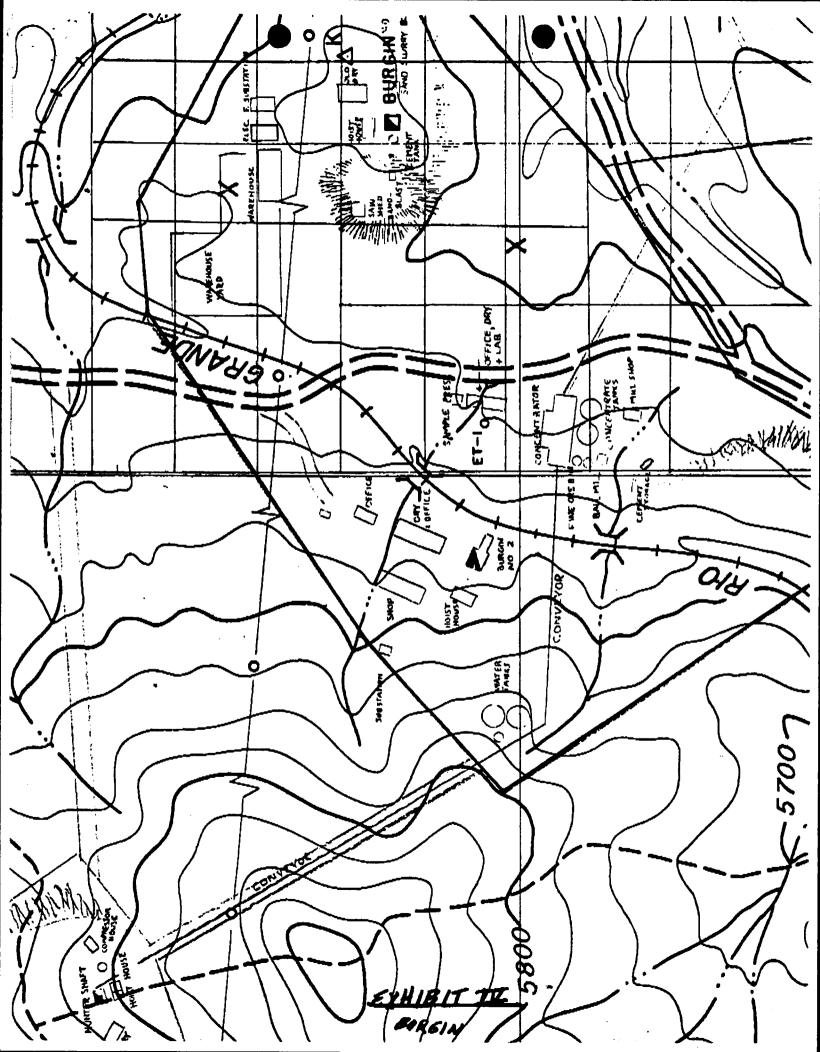
(Exhibit III) approx. 4000 / East of the NW corner of section 18

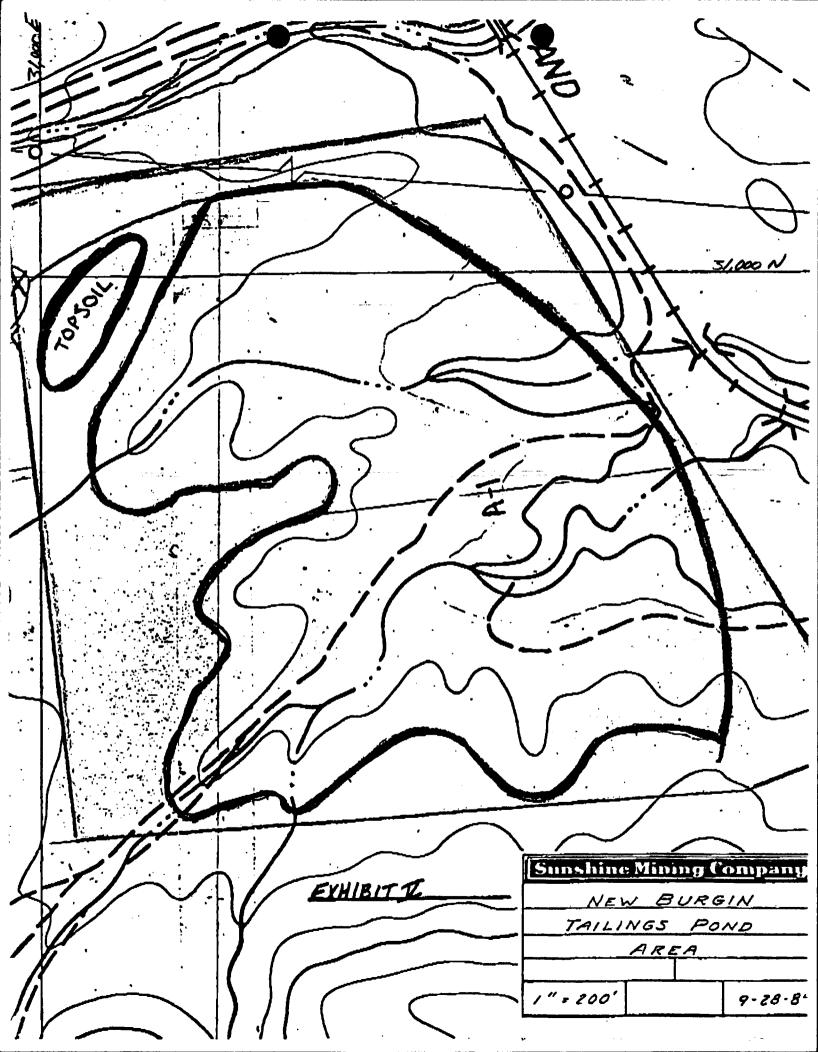
and 1000' South of this point











SETTLINK HOUR

P.O. BOX 250 PHONE: (801) 433-6854

APR 1 5 1985

Eureka, Utah

DIVISION OF OIL GAS & MINING

Leon J. Munyan, Resident Manager

April 10, 1985

Mr. L. P. Braxton Administrator Mineral Resource Development and Reclamation Program 355 W. North Temple 3 Triad Center Suite 350 Salt Lake City, UT 84180-1203

Dear Mr. Braxton:

Thank you for your letter dated March 23, 1985, reminding Sunshine that a reclamation bond had not been submitted for our Burgin Project. This is an unfortunate occurence, and I must extend apologies for the undue delay. I hope your letter will help me expedite the procurement of the bond from our Corporate Staff in Boise, Idaho.

The Utah Division of Sunshine Mining Company has been very pleased with the cooperation we have received from your staff during permitting of the Burgin Project. Susan Linner and Randy Harden of your staff have been especially helpful.

We hope to continue our good relationship with U.D.O.G. & M. in the future, and will do everything possible to ensure the Burgin Project reclamation bond is submitted before the April Board Of Directors Meeting. Please contact me if you have further questions or comments.

Sincerely,

Leon / Munyan / Resident Manager

LJM/lrl

xc: R. Harden

S. Linner